

House Engrossed Senate Bill

State of Arizona
Senate
Forty-seventh Legislature
First Regular Session
2005

CHAPTER 186

SENATE BILL 1041

AN ACT

AMENDING SECTIONS 42-11111, 42-11152 AND 42-11153, ARIZONA REVISED STATUTES;
RELATING TO PROPERTY TAX EXEMPTIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 42-11111, Arizona Revised Statutes, is amended to
3 read:

4 42-11111. Exemption for property of widows, widowers and
5 disabled persons

6 A. The property of widows, widowers and disabled persons who are
7 residents of this state is exempt from taxation to the extent allowed by
8 article IX, sections 2, 2.1, 2.2 and 2.3, Constitution of Arizona, and
9 subject to the conditions and limitations prescribed by this section.

10 B. Pursuant to article IX, section 2.3, Constitution of Arizona, the
11 exemptions from taxation under this section are allowed in the amount of:

12 1. Three thousand dollars if the person's total assessment does not
13 exceed twenty thousand dollars.

14 2. No exemption if the person's total assessment exceeds twenty
15 thousand dollars.

16 C. On or before December 31 of each year, the department shall
17 increase the total assessment limitation amounts under subsection B of this
18 section based on the average annual percentage increase, if any, in the GDP
19 price deflator as defined in section 41-563.

20 D. For the purpose of determining the amount of the allowable
21 exemption pursuant to subsection B of this section, the person's total
22 assessment shall not include the value of any vehicle that is taxed under
23 title 28, chapter 16, article 3.

24 E. Pursuant to article IX, section 2.3, Constitution of Arizona, to
25 qualify for this exemption, the total income from all sources of the claimant
26 and the claimant's spouse and the income from all sources of all of the
27 claimant's children who resided with the claimant in the claimant's residence
28 in the year immediately preceding the year for which the claimant applies for
29 the exemption shall not exceed:

30 1. Thirteen thousand two hundred dollars if none of the claimant's
31 children under eighteen years of age resided with the claimant in the
32 claimant's residence.

33 2. Eighteen thousand eight hundred forty dollars if one or more of the
34 claimant's children residing with the claimant in the claimant's residence
35 ~~was~~ WERE either:

36 (a) Under eighteen years of age.

37 (b) Totally and permanently, physically or mentally disabled, as
38 certified by competent medical authority as provided by law.

39 F. For the purposes of subsection E of this section, "income from all
40 sources" means the sum of the following, but excluding the items listed in
41 subsection G of this section:

42 1. Adjusted gross income as defined by the department.

43 2. The amount of capital gains excluded from adjusted gross income.

44 3. Nontaxable strike benefits.

1 4. Nontaxable interest that is received from the federal government or
2 any of its instrumentalities.

3 5. Payments that are received from a retirement program and paid by:

4 (a) This state or any of its political subdivisions.

5 (b) The United States through any of its agencies, instrumentalities
6 or programs, except as provided in subsection G of this section.

7 6. The gross amount of any pension or annuity that is not otherwise
8 exempted.

9 G. Notwithstanding subsection F of this section, "income from all
10 sources" does not include monies received from:

11 1. Cash public assistance and relief.

12 2. Railroad retirement benefits.

13 3. Payments under the federal social security act (49 Stat. 620).

14 4. Payments under the unemployment insurance laws of this state.

15 5. Payments from veterans disability pensions.

16 6. Workers' compensation payments.

17 7. "Loss of time" insurance.

18 8. Gifts from nongovernmental sources, surplus foods or other relief
19 in kind supplied by a governmental agency.

20 H. A WIDOW, WIDOWER OR DISABLED PERSON SHALL INITIALLY ESTABLISH
21 ELIGIBILITY FOR EXEMPTION UNDER THIS SECTION BY FILING AN AFFIDAVIT WITH THE
22 COUNTY ASSESSOR UNDER SECTION 42-11152. THEREAFTER, THE PERSON IS NOT
23 REQUIRED TO FILE AN AFFIDAVIT UNDER SECTION 42-11152, BUT THE PERSON OR THE
24 PERSON'S REPRESENTATIVE SHALL ANNUALLY CALCULATE INCOME FROM THE PRECEDING
25 YEAR TO ENSURE THAT THE PERSON STILL QUALIFIES FOR THE EXEMPTION AND SHALL
26 NOTIFY THE COUNTY ASSESSOR IN WRITING OF ANY EVENT THAT DISQUALIFIES THE
27 WIDOW, WIDOWER OR DISABLED PERSON FROM FURTHER EXEMPTION. REGARDLESS OF
28 WHETHER THE PERSON OR REPRESENTATIVE NOTIFIES THE ASSESSOR AS REQUIRED BY
29 THIS SUBSECTION, THE PROPERTY IS SUBJECT TO TAX AS PROVIDED BY LAW FROM THE
30 DATE OF DISQUALIFICATION, INCLUDING INTEREST, PENALTIES AND PROCEEDINGS FOR
31 TAX DELINQUENCIES. DISQUALIFYING EVENTS INCLUDE:

32 1. THE PERSON'S DEATH.

33 2. THE REMARRIAGE OF A WIDOW OR WIDOWER.

34 3. THE PERSON'S INCOME FROM ALL SOURCES EXCEEDING THE LIMITS
35 PRESCRIBED BY SUBSECTION E OF THIS SECTION.

36 4. THE CONVEYANCE OF TITLE TO THE PROPERTY TO ANOTHER OWNER.

37 H- I. The exemption described by this section applies independently
38 to:

39 1. The assessed valuation determined for secondary property tax
40 purposes from the full cash value of the property and improvements owned by
41 the individual.

42 2. The assessed valuation determined for primary property tax purposes
43 from the limited property value of the property and improvements owned by the
44 individual.

1 ~~I.~~ J. Any dollar amount of exemption that is unused in a tax year
2 against the limited property value of property and improvements owned by the
3 individual may be applied for the tax year against the value of personal
4 property subject to special property taxes including the taxes collected
5 pursuant to title 5, chapter 3, article 3 and title 28, chapter 16,
6 article 3.

7 ~~J.~~ K. An individual is not entitled to property tax exemptions in the
8 aggregate that exceed the maximum allowed to a widow, widower or disabled
9 person even if the person is eligible for an exemption in more than one
10 category.

11 Sec. 2. Section 42-11152, Arizona Revised Statutes, is amended to
12 read:

13 42-11152. Affidavit; false statements

14 A. Except as provided in sections 42-11109, ~~and~~ 42-11110 AND 42-11111
15 and except for property described in sections 42-11125 and 42-11127, a person
16 who claims exemption from taxation under article IX, section 2, 2.1 or 2.2,
17 Constitution of Arizona, shall:

18 1. When initially claiming the exemption, appear before the county
19 assessor to make an affidavit as to the person's eligibility. If a personal
20 appearance before the county assessor would create a severe hardship, the
21 county assessor may arrange a mutually satisfactory meeting place to make an
22 affidavit as to the person's eligibility.

23 2. When claiming the exemption in subsequent years, appear before the
24 county assessor or a notary public to make an affidavit as to the person's
25 eligibility.

26 3. Fully answer all questions on the eligibility form or otherwise
27 required by the assessor for that purpose.

28 B. At the assessor's discretion, the assessor may require additional
29 proof of the facts stated by the person before allowing an exemption.

30 C. A person who is in the United States military service and who is
31 absent from this state or who is confined in a veterans' hospital or another
32 licensed hospital may make the required affidavit in the presence of any
33 officer who is authorized to administer oaths on a form obtained from the
34 county assessor.

35 D. A false statement that is made or sworn to in the affidavit is
36 perjury.

37 Sec. 3. Section 42-11153, Arizona Revised Statutes, is amended to
38 read:

39 42-11153. Deadline for filing affidavit

40 A. Except as provided in section 42-11109, subsection B, ~~and~~ section
41 42-11110, subsection B AND SECTION 42-11111, SUBSECTION H, a failure by a
42 taxpayer who is entitled to an exemption to make an affidavit or furnish
43 evidence required by this article between the first Monday in January and
44 March 1 of each year constitutes a waiver of the exemption.

1 B. If a widow, widower or disabled person whose property is exempt
2 from tax under section 42-11111, or an organization that is exempt from
3 federal income tax under section 501(c) of the internal revenue code and is
4 exempt from property tax under article 3 of this chapter, submits a petition
5 after the deadlines prescribed by subsection A of this section, the person or
6 organization may have the waiver redeemed by the county board of supervisors
7 at any regular meeting, except that no taxes that were due and payable before
8 the petition was submitted may be refunded or abated.

APPROVED BY THE GOVERNOR APRIL 25, 2005.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 25, 2005.

Passed the House April 11, 20 05

by the following vote: 57 Ayes,

0 Nays, 3 Not Voting



Speaker of the House

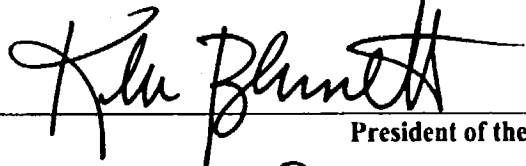


Chief Clerk of the House

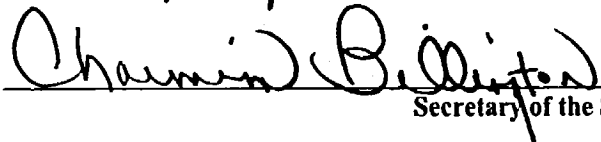
Passed the Senate January 27, 20 05

by the following vote: 29 Ayes,

0 Nays, 1 Not Voting



President of the Senate



Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

_____ day of _____, 20____,

at _____ o'clock _____ M.

Secretary to the Governor

Approved this _____ day of

_____, 20____,

at _____ o'clock _____ M.

Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this _____ day of _____, 20____,

at _____ o'clock _____ M.

Secretary of State

S.B. 1041

SENATE CONCURS IN HOUSE AMENDMENTS
AND FINAL PASSAGE

Passed the Senate April 18, 2005,

by the following vote: 29 Ayes,

0 Nays, 1 Not Voting

Klu Bennett
President of the Senate
Chapman B. Denton
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

19th day of April, 2005

at 8.05 o'clock a M.

Winnifred L. Harris
Secretary to the Governor

Approved this 25 day of

April, 2005,

at 9.05 o'clock A. M.

Jeffrey B. Beaman
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 25 day of April, 2005,

at 4:33 o'clock P. M.

Janice K. Brewer
Secretary of State

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